

Township of North Kawartha
280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Report to Council

To: Mayor and Council Members
From: Gary Geraldi, Director of Parks and Recreation / Waste Management
Date: November 25, 2024
Subject: PepsiCo Agreement Renewal / North Kawartha Community Centre

Recommendation:

That the Township of North Kawartha amend By-Law 2019-0132 for the purpose of renewing the Agreement between the PepsiCo Canada and the North Kawartha Community Centre, for a period of 5 years, beginning January 1, 2025.

Background:

In 2010, the Township entered into a 10-year exclusivity agreement with PepsiCo (Pepsi), to provide services, equipment and product, for the North Kawartha Community Centre. The Township renewed this agreement with PepsiCo beginning January 1, 2020, for a period of 5-years, ending December 21, 2024.

Analysis:

We have been fortunate to have the same PepsiCo Representative, John Gibson, since the inception of the agreement in 2010. Recently John met with Shawn and Dawn to complete a thorough review of our product sales, and equipment.

John has witnessed our growth and commitment to marketing and sales. As an example, Staff are very cognizant of product types (healthy type selections), product placement (i.e. what is at eye level in the vending machines) and the inclusion of products in combo packages.

These items are important, as this coupled with our history and experience enabled us to be advanced a level, in PepsiCo's partnership agreement remuneration commitments.



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Agreement Highlights:

1. Term is 5-years, beginning January 1, 2025, to December 31, 2029.
2. \$5000. exclusivity revenue, paid \$1,000. annually. This is to exclusively advertise and sell products within the Pepsi product portfolio.
3. \$1300. + HST paid annually in marketing funds. (\$500. + HST for the Pepsi ice logo and \$800. + HST for marketing revenue).

New:

4. Additional guaranteed upfront revenue of \$1,300. in year one and \$1,300. again, in year two, for a total of \$2,600.
5. There will also be an increase in product case revenue. This increase includes a minimum case revenue guarantee of \$591., regardless of sales.

I have worked with John Gibson since the construction and opening of the NKCC and although the original agreement was 10-years, it was needed as Pepsi supported the Township for the supply and installation of the arena score clock, the arena time of day clock and all the coolers and equipment in the snack bar and bar area. Pepsi has an excellent line-up of products that include Gatorade.

That being said, a big thanks goes to Shawn Tucker, as having Shawn Tucker's previous experience as a Rep. for Coca-Cola, was a big asset in understanding the compensation agreement nuances, PepsiCo marketing objectives and recognizing revenue possibilities within the agreement. Shawn met with John to ensure all revenue possibilities were included and maximized.

Financial Implications:

Included in the 2025 budget.

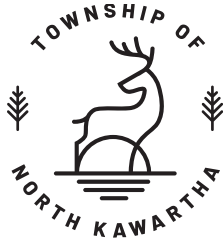
Strategic and/or Other Plans:

Infrastructure

1. Ensure that the existing infrastructure is sustained reflective of the Asset Management Plan.

Governance

1. Provide Quality Community Programs and Services.



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Consultant(s) Sourced:

Shawn Tucker, Program Coordinator / Administrative Assistant.

Attachment:

PepsiCo Agreement